



# MLN Matters



Information for Medicare Fee-for-Service Health Care Professionals

Related Change Request (CR) #: N/A

MLN Matters Number: SE0429

Implementation Date: N/A

## Clarification of Change Request 2631

**Note:** This article was revised to contain Web addresses that conform to the new CMS website and to show they are now MLN Matters articles. All other information remains the same.

### Provider Types Affected

All physicians, non-physician practitioners, and suppliers billing for services paid under the Medicare physician fee schedule and for anesthesia services.

### Provider Action Needed

On August 1, 2003, the Centers for Medicare & Medicaid Services (CMS) released Change Request (CR) 2631 to enforce the carrier jurisdiction rules effective for claims received on or after April 1, 2004. The CR has resulted in some confusion and has generated a number of calls to carrier call centers. This article provides some further clarification and, hopefully, will eliminate the confusion.

### Background

Medicare carriers process Part B fee-for-service claims for covered services furnished in specific geographic areas (e.g., Florida). Services paid under the Medicare Physician Fee Schedule (MPFS) and anesthesia services are paid by the Medicare carrier with jurisdiction over the geographical area where the services are furnished. Jurisdiction is based on the zip code of the area where the service was rendered.

Physicians, suppliers, and group practices that provide physician fee schedule services at more than one office/practice location may submit their claims through one office to the carrier for processing. However, the *specific location where the services are provided* must be entered on the claim so that the correct jurisdiction and correct MPFS amount can be applied to the claim.

Effective for claims received on or after April 1, 2004, this applies to all **places of service (POS)** except "home." For POS "home," the Medicare carriers will use the beneficiary address on file to determine geographical payment.

### Electronic Claims

As reflected in the implementation guide of the 4010A1 version of the ASC X12N 837 electronic claims format, it is acceptable for claims to contain the code for POS home and any number of additional POS codes. If different POS codes are used for services on the claim, a corresponding service facility location

#### Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

and address must be entered for each service at the line level, if that location is different from the billing provider, the pay-to provider, or claim level service facility location.

Refer to the current implementation guide of the ASC X12N 837 to determine how information must be entered on a claim.

**The following information is based on the implementation guide:**

- On version 4010A1 of the ASC X12N 837 electronic claim format, the Billing Provider loop 2010AA is required and must always be entered. If the Pay-To Provider Name and Address loop 2010AB is the same as the Billing Provider, **only** the Billing Provider must be entered. If no Pay-To Provider Name and Address is entered in loop 2010AB, and the Service Facility Location loop 2310D (claim level) or 2420C (line level) is the same as the Billing Provider, then only the Billing Provider must be entered.
- If the Pay-To Provider Name and Address loop 2010AB is **not** the same as the Billing Provider, **both** must be entered. If the Service Facility Location loop 2310D is not the same as the Billing Provider or the Pay-To Provider, the Service Facility Location loop 2310D (claim level) must be entered.
- When the same POS code and same service location address is applicable to each service line on the claim, the service facility location name and address must be entered at the claim level loop 2310D.
- If the POS code is the same for all services, but the services were provided at different addresses, each service must be submitted with line-level information. This will provide a zip code to price each service on the claim.

***Paper Claims Submitted on the Form CMS-1500***

It is acceptable for claims to contain POS "home" and an additional POS code. No service address for POS "home" needs to be entered in Item 32 in this situation because the address will be drawn from the beneficiary file and the information on the claim will apply to the other POS.

The specific name, address, and zip code of the location where the services were furnished must be entered on the claim in Item 32. **This applies even if the place of service is "office."** The zip code of the address entered in Item 32 will be used to price the claim.

For carriers to be able to correctly determine where services were provided and pay correct locality rates, no more than one name, address, and zip code may be entered in Item 32 of the Form CMS-1500.

Assigned claims with more than one address entered in Item 32 will be rejected and unassigned claims will be denied.

If POS "home" and more than one additional POS code is entered, assigned claims will be rejected and unassigned claims will be denied.

Physicians, non-physician practitioners, and suppliers that have had claims rejected or denied must re-submit the claims with the correct information entered in Item 32 in order to have the claims considered for payment.

**Additional Information**

To view CR2631, go to <http://www.cms.hhs.gov/transmittals/Downloads/R169CP.pdf> on the CMS website.

**Disclaimer**

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.